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IN THE SPECIFICATION:

1. Please cancel the entire specification section labeled **Brief Summary of the Invention**, and replace with the following paragraph:

BRIEF SUMMARY OF THE INVENTION

The present invention utilizes permanent magnets to transmit variable or fixed torque between two rotating elements. The aforesaid permanent magnets are located on only one of the two rotating elements (also referred to as "rotors" or "rotary members"), and the other rotating element in a particular embodiment does not contain permanent magnets, but does have so-called "electro-conductive" elements. Said electro-conductive elements comprise materials and alloys that are not ferromagnetic, but that allow electron flow through them. In addition, so-called "magnetically permeable" materials are also contained on the said non-permanent magnet rotors, said magnetically permeable materials comprising substances that allow magnetic flux penetration and are also not ferromagnetic. The torque between the aforesaid two rotating elements is adjusted by mechanically varying the amount of magnetic flux passing between the elements by varying the extent to which the elements are axially overlapped. In a preferred embodiment of the apparatus, two concentric cylinders, one containing one or more rows of permanent magnets, is moved axially in order to progressively axially overlap a second cylindrical element containing electro-conductive elements and magnetically permeable elements, but not containing permanent magnets. This progressive axial overlapping of the two